

## Book Reviews

*Multiethnic in Malaysia: Past, Present and Future*, by Lim Teck Ghee, Alberto Gomes and Azly Rahman (eds), Petaling Jaya: Strategic Information and Research Development Centre (SIRD), 2009, 529 pp.

Ethnicity, as many know, is potentially a highly potent issue. As Chua (2003) argues, the disparity between economic power of the small ethnic group and the disadvantaged position of a majority ethnic group is a source of great political instability. The crucial question regarding ethnicity is, as argued by Brubaker *et al.* (2006: 7) “where it is, when it matters, and how it works”. This is juxtaposed to Brubaker’s (2004) earlier claims in his collection of essays, that ethnicity, race, and nationhood are not “things *in* the world,” but “perspectives *on* the world”. *Multiethnic in Malaysia: Past, Present and Future* is indeed compelling and stimulating as the book describes and explains the socio-economic, cultural and ethnic identity differences between communities in Malaysia. It also provides factual information and an analysis of the key events and transitions that have occurred in forming the reality of ethnic inequalities within the Malaysian society.

The book features a team of independent scholars drawing intellectually from over twenty scholars including leading historians, social scientists and political analysts. The book is divided into twenty-five chapters in five main parts, with each part corresponding to a central theme of discourse.

Introducing the collection in Part I, the book begins by describing the origins of the multi-ethnic construction of Malaysian society as it is today, focusing on the key processes that have shaped the multiethnic and multi-cultural society and nation. Aptly, the book drew from the country’s leading historian, Khoo Kay Kim to provide historical accounts of the Malay states and the beginnings of the immigrant communities and cosmopolitan population which thereafter changed the political, socio-economic, cultural and demographic patterns of life in the country. The subsequent contributions examine the early and middle period of colonial rule that was said to be devoid of opportunities for building a less divided and more cohesive society, and the period after the Japanese occupation which was described as “a meaningful unity among the various ethnic communities”. The last piece in this section employs an interpretative though historically informed approach to the subject of Malay nationalism, taking the lead from the views of other

scholars notably Frantz Fanon, Albert Memmi, Ashis Nandy, Syed Husin Alatas and Edward Said.

Part II explores various facets of the nexus between economy and society. It reflects critically the existing perspectives and provides an analytical framework to better understand the very fabric of Malaysia. Themes central to the five chapters of Part II are: differing arguments regarding ethnic conflict and its management; social and economic engineering through the New Economic Policy (NEP); ethnic-based political parties; the role of the middle class and its impact on the ethnic character of Malaysian politics; and the sociological and cultural politics of Malaysians.

Part III addresses the interplay between language, education, religion and the formation of a multicultural identity and ethnic relations. Part IV brings to the fore perspectives on various marginalized communities in Malaysia. The central theme running through this part is the nexus between politics of ethnicity and the process of marginalization. It examines how these communities have become marginalized and how they have reconciled their marginality. A theoretical discussion in the chapter by Zawawi Ibrahim on the construction of identities sets in motion a critical discourse on Malaysian multiculturalism. Part V, the final section, examines whether the cherished dream held by many Malaysians of a harmonious and multiethnic society with its diverse mix of cultures, religions and languages can be realized. It deals with conceptual issues as well as some latest developments in the country to provide insights into what the future holds.

Overall the book delivers an impressive work. One is enlightened on a number of interesting issues and discussions, notably: the language hegemony; ethnic segregation in education; the role of religion and the socio-economic policy; the “stabilizing factors” that helped to diffuse Malay resentment towards the economically successful Chinese; the widening of the intra-ethnic inequality gap among all ethnic communities, most especially among the *Bumiputera*, and also on the *ketuanan Melayu*. These are all critically discussed and analyzed in a debate on the most divisive issues in the country. Many of the contributions are carefully weighed and argued.

However, there are some shortcomings in the book. With the exception of Terrence Gomez’s chapter on “Ethnicity, Equity and Politics in Multiethnic Malaysia”, which made some anecdotal references to Singapore, Philippines and Indonesia, there is no comparative study of other political structures in multiethnic countries in the region or around the world. Comparisons of this nature would not only expand the horizon of the book, but importantly, inform the reader on the ways different regimes successfully managed such diversity. Another shortcoming is that in some of the contributions one could sense a skewed leaning.

In spite of these shortcomings, two major strengths can be easily identified. First, the themes are clearly articulated and explained, in particular with reference to the beginnings of the various communities which arose from a complex plethora of factors. Second, the wealth of primary and secondary materials used for providing a comprehensive analysis of the development of the Malaysian ethnic society and politics is laudable.

Many of the previous studies on ethnicity in Malaysia relate to culture and identities of the broad categories of Chinese, Indians and Malays, with very scant passing reference to the indigenous groups like the Orang Asli and other minority ethnic communities. The book is further strengthened by examining the much neglected perspectives on various marginalized communities of Malaysia *viz.*, the Semai, a group of the Orang Asli of Peninsula Malaysia, Bhuket, Kelabit, Kayan and Penan (some of the natives of Sarawak), as well as the migrants.

*Multiethnic in Malaysia: Past, Present and Future* provides a rich range of disciplinary perspectives on the relationship between ethnicity, identity and politics in Malaysia. The comprehensive contributions are weaved together expertly, giving a discerning full picture of the complex dynamics of individuals, groups and interests identified with distinct ethnic, religious and cultural communities. The lucid style of writing makes the book an enjoyable and informative piece. Moreover, it adds to the important debate on ethnicity by providing a significant contribution to an emerging body of literature, and would appeal to a wide range of scholars, particularly those in the fields of ethnic studies, comparative politics, development studies and anthropology and sociology. I am also convinced that policy makers would find the book useful.

## References

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*Freefall: Free Markets and the Sinking of the Global Economy*, by Joseph Stiglitz, London: Allen Lane, 2010, 361 pp.

Written by one of the most prolific post-Keynesian thinkers, this book adds weight to a series of publications Joseph Stiglitz has targeted at re-establishing the Keynesian coordinates on why a radically different financial architecture is needed to bring greater stability to the world economy. The root pillars of his analysis remain as an unravelling of the disjuncture that asymmetric and imperfect markets cause in the real economy. This book promises lessons that are worth reading and digesting if policymakers are sincere about preventing financial bubbles from becoming malignant in the future.

Presented through 10 chapters is an eloquent synthesis of how past macroeconomic crises in general, and the 2008-09 global financial crisis in particular, unfolded. Chapter one sets out the coordinates of how economic crises arise and why there has been a fall in support for the market in favour of more regulation, with a focus on the United States as it evolved from a manufacturing-driven economy to one that is service-driven. Chapter two explains some reasons for the crisis and the early efforts of the Bush government to continue with failed policies. Chapters three and four discuss critically the government's faulty efforts to revive the economy and to save homeowners. Chapters five and six examine governmental efforts to revive the financial system with stronger regulations. Chapter seven calls for a new capitalist world order by drawing lessons in the process from the freefall. Chapter eight extends the logic of co-operation to check the crisis and to introduce jointly recognized instruments to prevent a recurrence of new ones. Chapter nine argues for painstaking efforts to reform not only the economy but also the discipline of economics itself. Chapter ten makes an attempt to establish appropriate social coordinates following a reflection on the kind of society we should have.

Clearly Stiglitz is vindicated for his several years of passionate crusading to dismiss self-regulation by markets as the solution to maintaining equilibriums. To his own disbelief, Alan Greenspan learnt too late that self interest is all too powerful to prevent the pursuit of greed beyond the appropriation of short-term benefits. Stiglitz masterfully re-establishes the old Tobin-Galbraith argument that huge asymmetries exist in the economic system, and in doing so, rubbishes the neoclassical claim that established organizations and firms would safely adhere to good business practices. Discarding the meltdown left behind from the pursuit of failed liberal instruments, Stiglitz rightly calls for a new capitalist world order built around a new set of social contracts based on trust between the different members of our society. Recognizing the Keynesian doctrine that markets are not only imperfect but that their constituents' powers and capacities are also

asymmetric, Stiglitz reopens a forceful argument advanced by advocates of the high road to industrialization (see Piore and Sabel, 1984; Pyke and Sengenberger, 1992). Addressing these issues will require a clear reversal of the trend experienced from unequal growth in the share of profits and wages in value added in the United States with the former rapidly outgrowing the latter.

While I enjoyed very much reading the book, I would raise four questions that an expert of Stiglitz's standing may consider in his future works. First, in his efforts to promote multilateralism it is critical to extend it to address the huge inequalities caused by the current economic order. We should not take away any accolades for his cogent explication in the book calling for a reform of the discipline of economics itself, through an incisive detailing of the flaws of neoclassical economics and pointing out the theoretically fragile link between the virtues of the market and the greed that shapes the conduct of powerful interest groups. However, Stiglitz should consider elucidating in greater detail the cause of the disadvantaged groups squeezed out by market forces. While we now live in a world where communism, or at least the forms that both Marx and the praxis version that Lenin advocated, has failed and holds no currency at all for a comeback, certainly there should be scholarly initiatives to seek alternatives that will prevent the occurrence of excessive levels of inequalities *a la* the developments the United States has witnessed since 1970. The new social contract that Stiglitz envisages should go beyond trust between different groups and agents, and international cooperation, to include vertical cooperation between peoples of different income groups.

Second, Stiglitz argues that within the developing world China is arguably the only economy that has not been hit hard by the crisis. There should now be more discussion on how governments of the East Asian economies strengthened financial governance to prevent subsequent exposures to external shocks. For instructive purposes it is important to note that most East Asian economies, including Korea, Taiwan, Malaysia, Singapore, Philippines and Thailand only experienced a contraction in GDP following a collapse in exports to the developed countries from the end of 2008 until 2009. Because of their prudent management through firm regulations on lending, the introduction of fiscal stimulus helped achieve quick recoveries in all these countries. With few links to the global value chains of American driven multinationals, Indonesia escaped a negative GDP growth during the 2008-09 global meltdown.

Third, it is important for a leading exponent of the stature of Stiglitz to pursue a formulation of the new capitalist order in greater detail, something similar to what Keynes did to orchestrate the setting up of the Bretton Woods organizations in 1944. The efforts of Yilmaz (2011) might well help considerably in the quest to establish a new financial world order.

Finally, Stiglitz should offer leadership in the rewriting of macroeconomic textbooks so as to ensure that students start to understand why egalitarian social contracts are critical in establishing a just and orderly economic system. In the contest of ideas that Stiglitz so often addresses in the book, it is vital to recognize that the advocates of mainstream economics such as Friedman and Hayek enjoyed extensive support from rightwing governments led by Reagan and Thatcher, to invest considerable time in spawning the writing of textbooks that manipulated and portrayed liberalism as the pillar of economics. Reforming economics would require such leadership to spawn a similar production of textbooks that would rival existing mainstream works, with the articulation of economics framed around meaningful coordinates.

Overall, this is a wonderful book that provides a robust explication of both theory and evidence to explain the causes of world economic crises and how future occurrences could be avoided. It should be essential reading for policymakers, company directors and students in general and financial experts in particular.

## References

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